

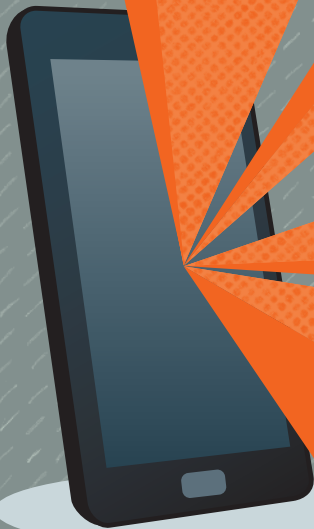
**BRANDED**

**APPS**

*stronger  
hehe...*

**BRAND**

**IDENTITY**



# Brand Communication with Branded Smartphone Apps: First Insights on Possibilities and Limits

*Managerial Summary by GfK MIR*

## KEYWORDS

*Branded Apps, Mobile Marketing,  
Online Advertising*

The omnipresence of smartphones and new habits of media consumption cannot be overlooked by advertisers. Among more traditional mobile initiatives, such as conventional advertising and text-message campaigns, branded apps represent a new possibility for enhancing brand images and service satisfaction. Branded apps prominently display brand identity, often via the name of the app and the appearance of a brand logo or icon, throughout the user experience. Procter & Gamble Co. offers, for instance, a Pampers app with helpful information for parents and entertainment for babies. BMW and other car manufacturers provide mobile car configurators to visualize certain car models in 3-D. Compared with other forms of advertising, branded apps are welcomed as “useful.” Therefore, they can be considered as “pull” rather than

“push” advertising. Product tips and tricks, how-tos and DIY information help consumers learn to more effectively use a product or to better integrate it into their lives. Advertisers need no opt-in permission because consumers download the apps on their own initiative. They assume that the high level of engagement associated with users’ experiences in interacting with mobile phone apps is likely to make the advertising messages conveyed by those apps highly persuasive. App users tend to process brand-related information more deeply and for a longer time than, for example, watchers of a television ad. As a result, advertisers expect consumer affinity for a brand to gradually expand.

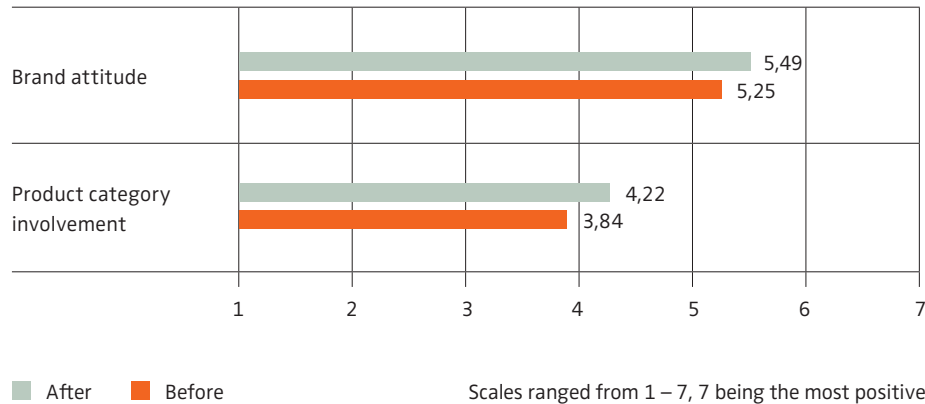
## **App interaction strengthens connection with a brand**

/// An experiment conducted by Australian and American researchers confirmed that app interaction consistently improved brand attitude, purchase intention and involvement in the respective product category. More than 200 participants were exposed to eight different branded apps –Target, Kraft, Gap, Lancôme, Gillette, BMW, Best Buy, Weber – offered on the iTunes App Store. In a laboratory setting, the participants interacted with each app for as long as they were interested and answered questions on the brands in focus before and after exposure. The apps represented various product categories and were either primarily informative or experiential.

Figure 1 compares the results of the surveys before and after participants’ interaction with the apps and shows the increased interest in the brand.

FIGURE 1:

## Branded app exposure effect on brand attitude and product category involvement



»  
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«

> The additional biometric measurement of heart rate showed different results for men and women when taking a closer look at various creative styles. Male participants had higher heart rates when using informational apps. This reaction indicates the focusing of attention internally, away from external smartphone content, and an increased likelihood of generating personal connections with the brand. "The fact that we found different results for men and women might reflect gender differences in engagement with mobile devices in general," study co-author Steven Bellman says, "but our data are unable to comment on that possibility, which we leave for further investigation."

- > Remarkably, not only the brand itself, but general interest for the whole category, was positively influenced.
- > Branded apps had a strong effect on the favorability of brand attitude, and a smaller but positive effect on purchase intention.
- > Neither familiarity with the brand nor the level of relevance of the product category made a difference in the effectiveness of a branded app.
- > Shifts in brand attitude and purchase intention were identical for both high- and low-relevance apps, such as when female participants interacted with apps targeted toward men.

> Independent of gender, informational apps had a higher impact on purchase intention than experiential apps.

**The use of branded apps has a positive impact ...** /// The study results suggest that branded apps are a highly effective form of advertising. In the laboratory setting, their use changed attitudes and intentions, and even increased interest in an entire product category. Smartphone apps seem to provide a pull marketing opportunity delivered via a platform to which consumers have strong emotional attachments. Moreover, branded apps offer the unique benefits afforded by mobile marketing communications, following consumers wherever they go while being able to be updated with the latest localized information and deals.

However, this study also suggests that the most successful type of app is the one that is the most capital-intensive to produce. Designing an informational app that consumers find useful in their daily lives is more difficult than building an experiential app by creating or adapting an interactive game: It requires developing a whole suite of tools instead of just one. Identifying, programming and testing these tools require a certain budget of time and money to ensure success.

**... but will they actually be used?** /// Another problem for marketers is the general success of the apps. The Apple App Store and Google Play offer a fast-growing selection of items to download. Ensuring a new branded app is noticed when there are several hundred thousand others available probably requires a separate persuasive advertising campaign. However, many of the brands in the sample appeared to be successful at advertising the availability of their apps on their corporate websites. But being downloaded is only half the battle. According to a Nielsen study in the U.S. in 2012, consumers keep more than 40 apps on their smartphones but use only a handful on a daily basis. Marketers have discovered that getting fans to download their branded app is a fairly empty exercise if the target audience never actually uses it. The next challenge for branded apps is to make them so useful that they remain on a consumer's short list and keep being used – which is more likely if the app is informational.

All these “real-world” issues highlight that this study's findings should be interpreted with caution. The main limitation of a laboratory setting is the use of forced exposure. The results include data from people who might not have been interested in any of the products advertised by the test apps. Therefore, the study results could be more conservative than they might be in the field. On the other hand, it seems challenging to motivate people to download apps for low-relevance products at all.

**Managerial summary by MIR article published in the academic top journal “Journal of Interactive Marketing”:**

*Bellman, Steven; Potter, Robert F.; Treleaven-Hassard, Shiree; Robinson, Jennifer A.; Varan, Duane (2011): “The Effectiveness of Branded Mobile Phone Apps”, Journal of Interactive Marketing, Vol. 25, Issue 4 (November), pp. 191 – 200.*

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for a managerial evaluation  
of branded apps

